GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:5314
ANSWERED ON:14.08.2014
SELLING OF STAKE
Subbareddy Shri Yerram Venkata

Will the Minister of COAL be pleased to state:

(a) whether the Government is planning to sell its stake in Coal India Limited;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Association of Coal Workers has requested the Government not to sell its stake;

(d) if so, the details thereof; and

(e) the remedial measures being taken by the Government to address the apprehensions of the workers?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a & b): Government is proposing to disinvest 10% GoI's equity in Coal India Ltd (CIL) out of its holding of 89.65%.

Government of India has constituted the National Investment Fund on 3rd November, 2005, into which the proceeds from disinvestment of CPSEs were to be channelized. The Government on 17th January, 2013 and 21st February, 2013 has approved restructuring of the NIF and decided that the disinvestment proceeds with effect from the fiscal year 2013-14 will be credited to the existing 'Public Account' under the head NIF and they would remain there until withdrawn/invested for the approved purposes. It was decided that the NIF would be utilized for the following purposes:-

(i) Subscribing to the shares being issued by the CPSEs including Public Sector Banks (PSBs) and Public Sector Insurance Companies, on rights basis so as to ensure 51% ownership of the Government in those CPSEs/PSBs/Insurance Companies, is not diluted.

(ii) Preferential allotment of shares of the CPSE to promoters as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 so that Government shareholding does not go down below 51% in all cases where the CPSE is going to raise fresh equity to meet its capital expenditure programme.

(iii) Recapitalization of public sector banks and public sector insurance companies.

(iv) Investment by Government in RRBs/IIFCL/NABARD/Exim Bank.

(v) Equity infusion in various Metro projects.

(vi) Investment in Bhartiya Nabhikiya Vidyut Nigam Ltd and Uranium Corporation of India Ltd.

(vii) Investment in India Railways towards capital expenditure.

(c to e): In the recent past 5 (five) Central Trade Unions operating in Coal Industry i.e. INTUC (Indian National Trade Union Congress), AITUC (All India Trade Union Congress), BMS (Bharatiya Mazdoor Sangh), HMS (Hindi Mazdoor Sabha) & CITU (Centre for Indian Trade Union Congress) had expressed reservations on further disinvestment of CIL.